

Message Text

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FOR DEPTY ASST SEC SHLAUDEMAN FROM AMBASSADOR

E.O. 11652: GDS
TAGS: PFOR XM
SUBJECT: SECRETARY'S MEETING MEXICO CITY WITH LA FONMINS

REF: GEORGETOWN 0184

1. SPENT BIT OVER TWO HOURS WITH PRIME MINISTER FORBES BURNHAM AT HIS COUNTRY HOME LATE SATURDAY AFTERNOON DISCUSSING FORTHCOMING MEETING OF SECRETARY WITH LA FONMINS. GAVE HIM SECRETARY'S LETTER ADDRESSED TO FONMIN S.S. RAMPHAL WHO NOT RETURNING BEFORE MEETING, AND MADE EXPLANATION OF CIRCUMSTANCES LEADING TO MY CALL. STRESSED IMPORTANCE ATTRIBUTED TO MEXICO MEETING BY SECRETARY AND HIS HOPES THAT US-LA RELATIONS COULD BE MOVED, CONSTRUCTIVELY, TO HIGHER PLANE. BURNHAM SUPPORTED THESE HOPES, SAYING HE KNEW RAMPHAL CONSIDERED MEETING HIGHLY IMPORTANT.

2. BURNHAM, WHO TENDS LEAVE SUCH MATTERS TO RAMPHAL, ONLY VAUGUELY AWARE OF AGENDA FOR MEXICO MEETING PREPARED BY FONMINS IN BOGOTA. DRAWING ON BRIEFING PAPER DATED FEB 5 AND DCM'S REPORT OF KINGSTON SUBREGIONAL COM MEETING, I WENT OVER IT POINT BY POINT FOR HIS BENEFIT, EXPLAINING BASIC

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US APPROACHES AND INVITING HIS COMMENTS AND OBSERVATIONS.

WHILE HE SEEMED GENUINELY INTERESTED, IT WAS OBVIOUS THROUGHOUT THAT HE HAD NO GREAT EXPECTATIONS THAT MEETING IN MEXICO WOULD RESULT IN ANYTHING WHICH WOULD HELP HIM SOLVE GUYANA'S PROBLEMS, OR FOR THAT MATTER HELP DEVELOPING COUNTRIES IN GENERAL, AND THAT HE WAS GREATLY PREOCCUPIED BY HIS OWN IMMEDIATE PROBLEMS--FOREIGN EXCHANGE EARNINGS, THE PRICE OF OIL, BUDGETARY SHORTFALLS, IMPORTED INFLATION AND THE EFFECT OF THESE ON THE DEVELOPMENT PLAN, PARTICULARLY AS IT RELATES TO UNEMPLOYMENT.

3. ON ITEM 1, DEVELOPMENT COOPERATION, BURNHAM COMMENTED EXTENSIVELY, AND WITH SOME SENSE OF DISCOURAGEMENT, ON THE "MOOD OF CONGRESS" AS EXEMPLIFIED BY REFUSAL APPROVE IDA REPLENISHMENT AND SENATOR FULBRIGHT'S PROPOSAL TO TERMINATE AID COMPLETELY. OBSERVED THAT WHAT DEVELOPING COUNTRIES REALLY NEEDED WAS FAIR PRICES FOR RAW MATERIALS RATHER THAN HANDOUTS. AGREED THAT PROVISION OF DEVELOPMENT ASSISTANCE COULD NOT BE ESTABLISHED AS LEGAL OBLIGATION, BUT ARGUED THAT MORAL OBLIGATION DID EXIST.

4. ON ITEM 2, ECONOMIC MEASURES OF COERCIVE NATURE, BURNHAM LISTENED ATTENTIVELY TO MY EXPLANATION AND THEN DISMISSED IT WITH QUESTION "BUT ISN'T THIS EXACTLY WHAT YOU DO?" BURNHAM AGREED THAT PROBLEM WAS THAT RECOGNIZED BY DEPT, I.E. DIFFERENCE IN DEFINTION. THIS GOT US INTO ARGURMENT ON "PROMPT, ADEQUATE AND EFFECTIVE" COMPENSATION, IN WHICH HE INSISTED WHAT GUYANA AGREED TO WITH ALCAN SHOULD BE ACCEPTABLE IN OTHER CASES. HE WAS TOTALLY NBN-COMMITTAL ON IDEA OF ESTABLISHING REGIONAL INVESTMENT SETTLEMENT OR CONCILIATION MECHANISM, ALTHOUGH I DETECTED DEEP RESERVATIONS.

5. NEXT ITEM, ON RESTRUCTING INTER-AMERICAN SYSTEM, PROVOKED MOST INTEREST AND REACTION. BURNHAM IMMEDIATELY RAISED REINTEGRATION OF CUBA INTO OAS. I REPLIED A) WE HAD NO REASON BELIEVE CUBA WANTED GET BACK INTO OAS, B) CUBA NOT ITEM ON AGENDA, C) IF ANYONE RAISED CUBA WE WOULD SAY SIMPLY OUR POLICY HAD NOT CHANGED AND D) THIS ITEM IN ANY EVENT NOT CONCERNED WITH MEMBERSHIP BUT RATHER WITH INSTITUTIONAL STRUCTURE. HE SAID THAT IF CUBA DID
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BECOME MATTER OF DISCUSSION, GUYANA WOULD HAVE TO BE CONSISTENT WITH ITS WELL KNOWN POLICY OF RECOGNITION AND TRADE. AT SAME TIME, PROMISED GUYANA WOULD NOT TAKE INITIATIVE RAISE CUBAN ISSUE.

6. WHAT REALLY INTERESTED GUYANA, BURNHAM WENT ON, WAS ACCESS TO IDB. EXPECTED ONE OR OTHER OF COMMONWEALTH CARIBBEAN MEMBERS AT OAS RAISE QUESTION ON BEHALF GUYANA.

ADDED HE DID NOT BELIEVE GUYANA'S ACCEPTANCE INTO OAS ITSELF SHOULD BE RAISED. THIS WOULD PROVOKE ARGENTINA TALK ABOUT FALKLAND ISLANDS AND GUATEMALA TO BRING UP BELIEZE. VENEZUELA WOULD THEN HAVE TO RESTATE POSITION ON ITS CLAIM TO FIVE-EIGHTS OF GUYANA. HE AGREED THIS WOULD ONLY CONFUSE ISSUE AND INJECT ACRIMONIOUS NOTE INTO CONFERENCE. SAID WOULD TELL RAMPHAL TO STAY AWAY FROM SUBJECT OF OAS MEMBERSHIP FOR GUYANA.

7. ON PANAMA CANAL, BURNHAM VOLUNTEERED THIS BILATERAL ISSUE WHICH SEEMED IN HAND AND CONSEQUENTLY NO REASON WHY IT SHOULD BE DISCUSSED AT MEXICO MEETING. GAVE HIM COPY OF SECRETARY'S REMARKS IN PANAMA, EMPHASIZING THAT SECTION UNDER GENERAL HEADING WESTERN HEMISPHERE RELATIONS REFLECTED MUCH OF SECRETARY'S THINKING AND HOPES.

8. AS FOR STRUCTURE TRADE AND MONETARY SYSTEM, BURNHAM PREDICTABLY COMPLAINED ABOUT "WEIGHTED" VOTING AND OPPOSITION OF DEVELOPED COUNTRIES TO SDR LINKAGE. SAID DISTRIBUTION OF SDR'S SHOULD BE ON BASIS NEED RATHER THAN WEALTH. NEVERTHELESS, DID NOT GIVE ME IMPRESSION GUYANA INTENDED MAKE ANY INITIATIVES ON THIS ITEM.

9. BURNHAM, QUITE NATURALLY, SAID GUYANA WAS INTENSELY INTERESTED IN PROBLEM ON TRANSNATIONAL CORPORATIONS, BUT WAS NON-COMMITTAL ABOUT REGIONAL FACT-FINDING OR STANDARDS-SETTING ENTITY. SIMPLY SAID SUBJECT SHOULD BE INTERESTING ONE, AND MOVED ON INTO DISCUSSION OF LAST MONDAY'S TALKS WITH REYNOLDS.

10. BURNHAM HAD NOTHING TO SAY ON OTHER AGENDA ITEMS. I GAVE HIM COPY OF SECRETARY'S REMARKS TO OPENING SESSION OF LAST WEEK'S MEETING ON ENERGY IN WASHINGTON, WHICH LED INTO CONFIDENTIAL

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SURVEY OF GUYANA'S ECONOMIC PROBLEMS, HOPES FOR RESURGENCE IN FOREIGN EXCHANGE EARNINGS FROM BAUXITE AND SUGAR BY END OF YEAR AND SO ON. I DID MENTION HERE OUR HOPE INVOLVE MORE DEVELOPED COUNTRIES OF HEMISPHERE IN DEVELOPMENT ASSISTANCE TO LESS DEVELOPED, AND VENEZUELA'S APPARENT REALIZATION THAT PRESENT TRENDS IN PETROLEUM PRODUCING COUNTRIES COULD LEAD ONLY TO DISASTER FOR ALL.

11. COMMENT: ASIDE FROM ACCESS TO IDB, I DOBUT GUYANA WILL SPRING ANY SURPRISES OR TAKE MAJOR INITIATIVES AT MEXICO. RAMPHAL IS TOO SMOOTH AN OPERATOR TO SEEM BE PRESENTING SECRETARY WITH CONFRONTATION. HOWEVER, SHOULD A CONCENSUS DEVELOP ON ANY ITEM ALONG LINES OF NON-ALIGNED THINKING, GUYANA CAN BE EXPECTED SUPPORT IT. IN ANY EVENT, RAMPHAL WILL PRETTY MUCH CALL HIS OWN SHOTS, AND I CAN ONLY

REPEAT WHAT WAS SAID IN REFTEL, NAMELY THAT IF WE WANT TO INFLUENCE HIM OR SEEK HIS SUPPORT OR CLARIFY ISSUES FOR HIM, AMB JOVA OR SOME OTHER HIGH OFFICIAL SHOULD GET IN TOUCH WITH HIM IN MEXICO. HE HAS BEEN IN NEW YORK LAST FEW DAYS BUT BELIEVE HE WILL BE IN MEXICO MONDAY. KING

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